

**Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and
Substance Abuse Services**
Joint Conference Committee Report on Continuation, Expansion and Capital Budgets

Major Budget Actions - FY2010-11, Session Law 2010-31, Senate Bill 897

- 1. Community Service Funds \$40 million non-recurring**
 - This budget item reinstates the \$40 million reduction taken in SL 2009-451
- 2. Crisis Services \$9 million Recurring expansion**
 - Special Provision 10.12 Provides a total of \$29 million recurring funds for the purchase of community beds within local hospitals for psychiatric inpatient services. Sec. 10.6
- 3. Leadership Academy \$250,000 non-recurring**
- 4. Training in Facilities \$534,795 recurring**
 - Training of direct care staff and front line leaders in patient care.
- 5. UNC Department of Psychiatry \$200,000 non-recurring**
 - Outreach and Support Intervention Services Program (OASIS)
- 6. Conversion of Whitaker School to a Psychiatric Residential Treatment Facility (\$1.9 million Recurring reduction)**
 - Allows cost-sharing with Medicaid and reduces State appropriations.
- 7. Reduce Management Funding (\$7.2)Non-recurring**
 - Reduces unobligated funding at the division level and eliminates two positions. These funds are not used for services.

Medicaid Mental Health

- 8. Mental Health Drug Savings (\$10 million) Recurring**
 - Savings from adding mental health drugs to the Preferred Drug List (PDL) and requiring prior authorization for off-label prescribing of mental health drugs. Sec. 10.22 (a)
- 9. Capitated Behavior Health Pilot Programs (\$1.6 million) Recurring**
 - Savings from expanding the 1915 (bc) waiver program to one additional LME. Sec. 10.24 (a)
- 10. Prior Authorization from Children's Outpatient Mental Health Services (\$933K) Recurring**
 - Savings from changing the visits prior authorized from 26 to 16. Sec. 10.35
- 11. Enhanced Mental Health Changes (\$41 million) Recurring**
 - Savings from better management of utilization and a rate reduction.
- 12. Independent Assessments on Mental Health Services (\$7.7 million) Recurring**
 - Savings from independent assessment prior to the delivery of services, to ensure proper utilization of services. Sec. 10.36 (a)

Summary of Substantial Ratified Legislation

1. Extend & Expand First Commitment Pilot Program, S.L. 2010-119 (SB 1309)

- Extends the sunset on the First Commitment Pilot Program to October 1, 2012, and authorizes HHS Secretary to expand the program to up to 20 LMEs.
- Directs the Division of MHDDAS to expand its standardized certification training program to include refresher training for all certified providers, to report to the LOC on the participation rate of providers eligible to conduct first-level examinations under the pilot program waiver, and to report to the LOC on whether the program should include other licensed or certified health care professionals.

This act became effective July 20, 2010

2. Studies Act of 2010, S.L. 2010-152 (SB 900)

- Sec. 9.2: Authorizes the Program Evaluation Oversight Committee to include in its 2010 Work Plan for the Program Evaluation Division a study of Chapter 150B contested cases. The study may include the number of decisions rendered by ALJs that are overturned as a final agency decision. For these overturned cases, the Program Evaluation Division may evaluate the nature of the case, the basis of the reversal, the number of cases appealed to superior court, and the results of those appeals.

- Sec. 16.1: Authorizes the NCIOM to convene a Task Force to study the needs of young children with mental health problems and the needs of their families. NCIOM is to make an interim report to the LOC by January 15, 2012, and a final report with findings, recommendations, and any proposed legislation to the 2013 General Assembly.

- Sec. 18.1 to 18.6: Directs HHS Secretary to appoint a Task Force to study and propose recommendations by January 31, 2011, regarding the cost-effectiveness of supportive housing as an alternative to the institutionalization of members of the MHDDSA population who are frequent users of psychiatric beds and emergency departments.

The Studies Act became effective July 22, 2010.

3. Commission on Children with Special Needs – Dentist, S.L. 2010-12 (HB 1694)

- Adds a member to the Commission on Children with Special Health Care Needs. This additional member will be recommended by the North Carolina Dental Society, appointed by the Governor, and must be a licensed dentist who provides services to children with special needs.

This act became effective June 23, 2010